



IFRS 17
Insights

TORONTO
NEW YORK

IFRS 17 Insights, Thoughts and Concerns from the Road

The Power of Combined Minds

Our theme of 'The Power of Combined Minds' was definitely evident in this week's IFRS 17 Roadshow Events in Toronto and New York City. Finance, IT and Actuarial leaders from many global insurers listened intently to the discussion which included topics like IFRS 17 operational accounting challenges, system considerations and insights from 2 current Aptitude Software IFRS 17 projects. Attendees also received a demo of the Aptitude IFRS 17 solution and had the chance to network with one another.

The questions and concerns that came up touched on many different aspects of compliance. Questions like:

- How do we select the right model if we don't know exactly what our business will look like?
- How do we handle reporting across many different divisions?
- Can we summarize all data coming out of the actuarial systems at the group level and how often do we have to run the models?
- How often do we have to run our actuarial models?

Key Takeaways

The conversation was certainly far reaching but we wanted to highlight three of the top takeaways that stood out from the event discussions.

Start from where you need to end up.

Rather than starting your process by looking at all the data and all the systems you have and may need, Head of Finance Advisory at Aptitude Software, Linda Bembridge encouraged attendees to start their impact assessments by looking at exactly what will be required for the disclosure requirements – and then working back from there.

Flexibility in any solution will be critical.

Three years ago, we were helping some of the world's largest telcos navigate the beginning stages of IFRS 15 / ASC 606 compliance. As we look back on those early discussions around reach compliance, it is evident just how much telco business models have shifted over that time – and required their revenue recognition solutions to change as well. Insurers are in a similar position today. They are grappling with assembling their contracts and understanding what models will best serve their business. Even the standard itself is still evolving. The more flexibility you can maintain in your solution approach, the better.

Think grouping at a high level, accounting at a low level

Linda spoke about the value of grouping contracts at a reasonably high level in order to get the value of offsetting contracts that are going onerous versus those that are not so that they naturally hedge each other. While this grouping which is determining your accounting policy can be kept at a high level, the underlying accounting can be done at the most granular level. This way you get the value of better finance data for management insights and a better audit trail for IFRS 17 disclosure reporting.

Final Thoughts

The mood at the events was focused but positive. One attendee said that they could see the future value in compliance, and that Finance is embracing the challenge rather than fearing it. They saw it as “massively career defining.”

We're looking forward to helping clients through the IFRS 17 change process. For more material, market perspectives and upcoming roadshow event details, please visit the IFRS 17 Resources page.

